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# ***Public Utilities Commission of the State of California***

## ***Results of Public Agenda 3181***

***Meeting Held on Thursday, October 19, 2006 11:00 a.m.***

***Fresno, California***

### **Commissioners**

**Michael R. Peevey, President**

**John A. Bohn**

**Geoffrey F. Brown**

**Rachelle B. Chong**

**Dian M. Grueneich**

*Website: <http://www.cpuc.ca.gov>*

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### **Scheduled Commission Meetings**

**505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <b><i>Open to the Public</i></b>
Monday, November 06, 2006 (San Francisco)	Thursday, November 09, 2006 (San Francisco)
Monday, November 27, 2006 (San Francisco)	Thursday, November 30, 2006 (San Francisco)
Monday, December 11, 2006 (San Francisco)	Thursday, December 14, 2006 (San Francisco)
Monday, January 08, 2007 (San Francisco)	Thursday, January 11, 2007 (San Francisco)
Monday, January 22, 2007 (San Francisco)	Thursday, January 25, 2007 (San Francisco)

*\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor  
(415) 703-2074 E-mail: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)



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## PUBLIC COMMENT

**The following items are not subject to public comment:**

- All items on the closed session agenda; these are HEX and EX items.
- 

**Public Comment:**

## Consent Agenda

*Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.*

### Orders and Resolutions

- 1**  
[5969]      **Res E-4022 - Pacific Gas and Electric Company (PG&E).**  
PG&E requests approval of the Military Pass Road-Newberry LLC (Vulcan) renewable resource procurement contract. This contract is approved without modifications. (Advice Letter 2860-E, filed July 14, 2006)  
Agenda 3179, Item 16 9/21/2006 (Staff);  
Agenda 3180, Item 8 10/5/2006 (Staff)  
**Outcome Held (11/30/06, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
  
- 2**  
[5890]      **Res ALJ 176 - 3181**  
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.  
**Outcome Approved**  
[Res ALJ 176-3181](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)

3

[5970]

**I00-03-001 - Investigation into the operations and practices of Qwest Communications Corporation, et al. concerning compliance with statutes, Commission Decisions, and other requirements applicable to the utility's installation of facilities in California for providing telecommunications service.**

This decision approves a settlement agreement between Qwest Communications Corporation (Qwest) and the Consumer Protection and Safety Division (CPSD) that was filed on May 30, 2006. Under the agreement, Qwest agrees to pay \$150,000 to the State's General Fund, as well as \$30,000 to be distributed at Qwest's election among one or more of three groups that promote awareness of Native American history and archaeology. In addition, Qwest agrees to (1) continue abiding by the cultural resource protocols that it signed on February 16, 2000, (2) offer a refresher course in the protocols to all of its California construction employees within six months after Commission approval of the settlement, and (3) offer training on the protocols within the same time frame to any construction contractor Qwest is using in California. In exchange, CPSD agrees to release Qwest from all claims that were or could have been asserted in this investigation, which concerned Qwest's compliance with environmental requirements the Commission imposed in connection with Qwest's construction of its internet backbone facilities. The decision describes the six-year history of this proceeding and concludes that in view of the difficult legal and factual issues it has raised, the proposed settlement meets the requirements of Rule 51.1(e), viz., the settlement is reasonable in light of the whole record, is consistent with law, and is in the public interest. This proceeding is closed.

(Comr Grueneich - ALJ McKenzie)

**Outcome Signed**

[D06-10-027](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

4

[5975]

**A00-11-038 - Southern California Edison Company.**

For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs.

A00-11-056, A00-10-028 - Related matters. This decision allocates the benefits and costs of a natural gas contract between California Department of Water Resources (DWR) and Williams, per the request of DWR. This proceeding is closed.

(Comr Brown - ALJ Allen)

**Outcome Held (11/9/06, Consent Agenda. Further consideration.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**5**

[5976]

**C05-07-022 - Utility Consumers' Action Network vs. Cingular Wireless.**

This decision approves all-party settlement agreement providing for enhanced customer protection measures. This proceeding is closed.

(Comr Grueneich - ALJ Bushey)

**Outcome Signed**

[D06-10-028](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**6**

[5981]

**A05-06-030 - Southern California Gas Company (SoCalGas).**

This decision finds that SoCalGas reasonably managed its gas acquisitions and operations in Year 11 within the context of the Gas Cost Incentive Mechanism that existed at the time. SoCalGas is awarded a shareholder award of \$2,508,339 that is made subject to refund or adjustment as may be determined in the border price investigation (Investigation 02-11-040). The decision approves a Joint Recommendation that requires SoCalGas to put more gas into storage during the summer months for use by core customers during the winter heating season. This proceeding is closed.

(Comr Bohn - ALJ Lakritz)

**Outcome Signed**

[D06-10-029](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**7**

[5984]

**A04-06-030 - City of Petaluma.**

For an order authorizing the relocation of one at-grade crossing of the tracks of the Sonoma Marin Area Rail Transit District. This decision denies the City of Petaluma's Petition for Clarification or Modification of D06-02-036. This decision also corrects two typographical errors in D06-02-036. This proceeding is closed.

(Comr Grueneich - ALJ Econome)

**Outcome Signed**

[D06-10-030](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**8**

[5989]

**Res L-337**

This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of a September 8, 2003 electric incident near Santa Nella, California.

**Outcome Approved**[Res L-337](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**9**

[5991]

**Res W-4615 - Live Oak Springs Water Company (Live Oak).**

This resolution authorizes Live Oak a general rate increase producing an additional annual revenue of \$46,400 or 320% in test year 2006.

**Outcome Held (11/9/06, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**10**

[5992]

**A05-05-006 - Pacific Gas and Electric Company.**

For authority to establish its authorized rate of return on common equity for electric utility generation and distribution operation and gas distribution for Test Year 2006. A05-05-011, A05-05-012 - Related matters. This decision grants San Diego Gas & Electric Company (SDG&E) an option to file a test year 2008 Cost of Capital (COC) application instead of a test year 2007 COC application. If SDG&E does not file a test year 2008 COC application by May 8, 2007 its next COC application shall be due May 8, 2010 for test year 2011. A05-05-006, A05-05-011 and A05-05-012 are closed.

(Comr Peevey - ALJ Galvin)

**Outcome Signed**[D06-10-031](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

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- 11**  
[5995]      **A06-07-012 - San Diego Gas & Electric Company (SDG&E).**  
This decision grants SDG&E the authority it requests to recover the incremental costs incurred in 2004-2006 for Bark Beetle infestation. This proceeding is closed.  
(Comr Bohn - ALJ Long)  
Agenda 3180, Item 20 10/5/2006 (Staff)  
**Outcome   Signed**  
[D06-10-032](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)
- 12**  
[5996]      **I06-03-003 - Order Instituting Investigation on the Commission's own motion into the rates, operations, practices, service, and facilities of Pacific Gas and Electric Company (PG&E).**  
A05-12-002 - Related matters. This decision grants PG&E's unopposed motion to make its 2007 test year general rate case (GRC) revenue requirement effective on January 1, 2007, in the event the Commission issues a final decision adopting PG&E's GRC revenue requirements after that date.  
(Comr Bohn - ALJ Kenney)  
Agenda 3180, Item 21 10/5/2006 (Staff)  
**Outcome   Signed**  
[D06-10-033](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)
- 13**  
[5997]      **A04-02-026 - Southern California Edison Company (SCE).**  
This order addresses the limited rehearing of D05-12-040 granted by D06-06-040 concerning SCE's application for approval of its steam generator replacement program (SGRP) for San Onofre Nuclear Generating Station Units 2 and 3. The decision provides the correct results of the cost-effectiveness calculation in D05-12-040 and explains the calculation of the greenhouse gas adder used therein. Based on the corrected results, the decision finds the SGRP cost-effective, and affirms the ordering paragraphs of D05-12-040 as modified by D06-06-040. This proceeding is closed.  
(Comr Brown - ALJ O'Donnell)  
**Outcome   Held (11/9/06, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
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- 14**  
[5998]      **A06-03-020 - Southern California Edison Company (SCE).**  
This decision approves SCE's application for ratemaking treatment of its early acquisition of the City of Anaheim's ownership share of San Onofre Nuclear Generating Station Units 2 & 3. This proceeding is closed.  
(Comr Brown - ALJ O'Donnell)  
**Outcome Held (11/9/06, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 15**  
[5999]      **A06-06-020 - Southern California Edison Company (SCE).**  
This decision grants SCE the authority it requests to recover the incremental costs incurred in 2005 for a catastrophic rainstorm. This proceeding is closed.  
(Comr Bohn - ALJ Long)  
Agenda 3180, Item 22 10/5/2006 (Staff)  
**Outcome Signed**  
[D06-10-034](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)
- 16**  
[6001]      **R04-01-025 - Order Instituting Rulemaking to establish policies and rules to ensure reliable, long-term supplies of natural gas to California.**  
Pacific Gas and Electric Company (PG&E) proposed in A05-03-001 to modify the contract pre-approval process adopted in R04-01-025 through D04-09-022. PG&E's request to modify D04-09-022 was not adopted in D-06-07-010, but a ruling was issued in this rulemaking to notify affected parties of PG&E's request. Today's decision grants PG&E's request to modify the contract pre-approval process in D04-09-022 to make it consistent with the Commission's actions in D06-07-010. This proceeding is closed.  
(Comr Peevey - ALJ Wong)  
**Outcome Signed**  
[D06-10-035](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)

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- 17**  
[6005]      **A06-01-004 - Park Water Company.**  
This decision grants Park Water Company authority to implement a rate-assistance program for low-income customers. This proceeding is closed.  
(Comr Bohn - ALJ Yacknin)  
**Outcome Signed**  
[D06-10-036](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)
- 18**  
[6006]      **A06-04-018 - San Diego Gas & Electric Company (SDG&E).**  
This decision finds the participation of SDG&E in the steam generator replacement program (SGRP) for San Onofre Nuclear Generating Station Units 2 & 3 (SONGS) reasonable and approve the attached unopposed settlement agreement. The settlement agreement includes ratemaking treatment of SDG&E's share of SGRP costs in a manner consistent with the ratemaking treatment authorized for Southern California Edison Company's share of SGRP costs in D05-12-040. The settlement agreement also authorizes SDG&E to recover SONGS operations and maintenance expenses through a two-way balancing account. This proceeding is closed.  
(Comr Brown - ALJ O'Donnell)  
**Outcome Held (11/9/06, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 19**  
[6014]      **A06-08-002 - SuperShuttle International, Inc., SuperShuttle of Los Angeles, Inc., SuperShuttle of Orange County, Inc., SuperShuttle of San Francisco, Inc., Sacramento Transportation Systems, Inc., SFO Airporter, Inc. and Veolia Transportation on Demand, Inc.**  
This decision authorizes SuperShuttle International, Inc. to transfer control of its five California certificated passenger stage corporations to Veolia Transportation on Demand, Inc. Application 06-08-002 is closed.  
(Comr Bohn - ALJ Galvin)  
**Outcome Signed**  
[D06-10-037](#)  
Yes: (Bohn, Brown, Chong, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Grueneich)
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**20**

[6016]

**A05-08-018 - Main Event Transportation, Inc. (Main Event).**

A06-07-006, A06-07-007 - Related matters. This decision grants requests by Main Event, a passenger stage corporation, to amend its Certificate of Public Convenience and Necessity by revising the Route Description and fare structure, and by adding Morgan Hill as a point within the Service Area. The decision denies Main Event's request for authority to establish a zone of rate freedom pursuant to Section 454.2 of the Public Utilities Code. These consolidated proceedings are closed. (Comr Bohn - ALJ Ryerson)

**Outcome Held (11/30/06, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**21**

[6019]

**Res E-4003 - Pacific Gas and Electric Company (PG&E).**

This resolution approves PG&E's Advice Letter 2800-E submitted to make its Reliability Performance Incentive Mechanism a part of its Distribution Revenue Adjustment Mechanism, and to adopt for 2005 a RPIM penalty of \$2.8 million. PG&E is to apply the same methodology to outage data supporting the RPIM results it files in future years, retain records of all corrections to outage data, and submit with future RPIM filings the results of current-year outage data. (Advice Letter 2800-E, filed March 9, 2006)

Agenda 3180, Item 30 10/5/2006 (Staff)

**Outcome Approved as Modified (Change p. 10, Ordering Paragraph 2.c.)**[Res E-4003](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**22**

[6020]

**Res E-4023 - Southern California Edison Company (SCE).**

SCE submits an Advice Letter to implement the Test Year 2006 General Rate Case revenue requirement authorized in D06-05-016, the revenue requirement allocation authorized in D06-06-067, and the Direct Access Cost Responsibility Surcharge authorized in D06-07-030, while establishing a memorandum account to track deferred residential revenues. (Advice Letter 2019-E, filed July 27, 2006)

**Outcome Approved**[Res E-4023](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**23**

[6036]

**A05-12-018 - Southern California Edison Company (Edison).**

This decision grants Edison the authority to recover the incremental costs incurred in 2004 for a Bark Beetle infestation. This proceeding is closed.

(Comr Bohn - ALJ Long)

Agenda 3180, Item 38 10/5/2006 (Staff)

**Outcome Signed**[D06-10-038](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**24**

[6041]

**A06-03-008 - California Water Service Company dba Court appointed receiver of Land Of Promise Water System.**

This decision approves the application of California Water Service Company, Receiver, to transfer the control of Land of Promise Water Company to Land of Promise Mutual Water Association. This proceeding is closed.

(Exam Coughlan)

**Outcome Signed**[D06-10-039](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**25**

[6046]

**A06-02-004 - City of Chowchilla.**

This decision grants the request of the City of Chowchilla to convert a private to a public at-grade highway-rail crossing at the extension of Road 16½ across the spur track and right-of-way of City of Chowchilla located in City of Chowchilla, Madera County. This proceeding is closed.

(Exam Clark)

**Outcome Signed**[D06-10-040](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**26**

[6047]

**A06-06-008 - City of Buena Park.**

This decision grants the City of Buena Park authority to construct a grade-separated pedestrian-rail crossing (overhead pedestrian bridge) at the Buena Park Metrolink Station in City of Buena Park, County of Orange. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D06-10-041](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**27**

[6049]

**Res ALJ-194**

This resolution approves change of preliminary determination pursuant to Rule 7.5 of no hearing needed to hearing needed in A06-05-023, Del Oro Water Company, Inc.'s application for a certificate of public convenience and necessity to construct and operate its regional intertie project and for authority to borrow approximately \$3,500,000.

**Outcome Approved**

[Res ALJ-194](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**28**

[6050]

**A04-12-004 - San Diego Gas & Electric Company and Southern California Gas Company.**

This decision extends the original 18-month deadline for resolution of this proceeding by an additional 60 days. The extension is needed because of the bifurcation of this proceeding into two phases, and the slight delay caused by the scheduling of the Phase II issues.

(Comr Brown - ALJ Wong)

**Outcome Signed**

[D06-10-042](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**29**

[6052]

**R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.**

I93-04-002 - Related matters. This decision awards The Utility Reform Network \$510,479 in compensation for its substantial contributions to D06-03-025.

(Comr Peevey - ALJ Duda)

**Outcome Signed**

[D06-10-043](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**30**

[6067]

**A05-09-009 - Pacific Gas and Electric Company (PG&E).**

This decision grants the request of PG&E that it be allowed to recover in rates the cost of franchise fees it pays to cities and counties in conjunction with the revenues it collects to repay Rate Reduction Bonds (RRBs), authorized by D97-09-055. Currently, PG&E does not recover the cost of franchise fees paid to local governments in conjunction with RRB revenues it collects because it failed to include the necessary ratemaking mechanisms in the tariffs it filed to implement D97-09-055. PG&E now seeks to correct this oversight and requests recovery of the associated franchise fee costs, about \$2 million per year, through an entry in the Preliminary Statement Part CZ - Distribution Revenue Adjustment Mechanism. Today's decision authorizes PG&E to modify the Preliminary Statement in its tariffs to allow recovery of these costs on a prospective basis only. This proceeding is closed.

(Comr Peevey - ALJ Patrick)

**Outcome Signed**

[D06-10-044](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**31**

[6068]

**Res W-4621 - Little Bear Water Company, Inc. (Little Bear).**

This resolution authorizes Little Bear to obtain a loan in the amount of \$540,000 for water system improvements from the Pinnacle Bank instead of the Steinbeck Credit Union of Salinas, and to encumber utility assets to secure the debt. (Advice Letter 47, filed September 12, 2006)

(Exam Coughlan)

**Outcome Approved**

[Res W-4621](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**32**

[6069]

**Res E-4026 - Southern California Edison Company (SCE).**

SCE requests approval of 61 fixed energy price agreements with existing renewable qualifying facilities with a fixed energy price of 6.15 cents/kWh for a five-year period commencing on May 1, 2007 and ending on April 30, 2012, escalated one percent annually beginning in the second year. (Advice Letter 2021-E, filed July 28, 2006)

**Outcome Approved**[Res E-4026](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**33**

[6070]

**Res E-4035 - Pacific Gas and Electric Company (PG&E).**

This resolution approves PG&E's Advice Letter 2737-E-A seeking authority under Public Utilities Code Section 851 to grant the City of Bakersfield an easement for public access over PG&E property. (Advice Letter 2737-E-A, filed March 14, 2006)

**Outcome Approved**[Res E-4035](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**34**

[6071]

**A06-08-009 - Laura P. Acevedo and Jose F. Acevedo, and Executive Lines Inc. dba Lineas Executivas.**

This decision authorizes Jose F. Acevedo and Laura P. Acevedo to transfer their passenger stage corporation certificate to Executive Lines, Incorporated. This proceeding is closed.

(Exam Clark)

**Outcome Signed**[D06-10-045](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**35**

[6072]

**A06-08-014 - Mohamed A. Awara and Abdulaziz Al Khamri.**

This decision authorizes Abdulaziz Al Khamri to transfer a passenger stage corporation certificate held by Mohamad A. Awara and to establish a zone of rate freedom. This proceeding is closed.

(Exam Clark)

**Outcome Signed**

[D06-10-046](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**36**

[6074]

**A05-12-011 - PacifiCorp.**

This decision approves, in part, the application of PacifiCorp for a permit to construct a 115 kilovolt electric transmission line and associated substation modifications between the cities of Yreka and Weed in Northern California. The decision also certifies the final Mitigated Negative Declaration prepared in connection with the project in accordance with the California Environmental Quality Act. The Commission is only approving a portion of the line and substation changes at this time. That portion runs from Yreka to a point north of where the proposed project ends, as described more fully in the decision. The portion of the line the decision approves here is not controversial, has generated no protests, and presents no routing options or challenges. The Commission is able to approve this portion (which will be called the Northern Portion of the line) without evidentiary hearings, as there are no material facts in dispute.

(Comr Brown - ALJ Thomas)

**Outcome Signed**

[D06-10-047](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**37**

[6076]

**A06-03-028 - Southern California Edison Company (SCE).**

This decision grants the request of SCE for a certificate of public convenience and necessity for the construction of a new single-circuit 500 kilovolt transmission line in Riverside County. This 0.85 mile transmission line will connect a new power plant now being developed by the Inland Empire Energy Center, LLC to the state's electrical grid system at SCE's existing Valley Substation. This proceeding is closed.

(Comr Grueneich - ALJ Koss)

**Outcome Signed**

[D06-10-048](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**38**

[6080]

**C05-11-004 - Bee Sweet Citrus, Inc. vs. Southern California Edison Company.**

This decision extends the 12-month statutory deadline, pursuant to Pub. Util. Code § 1701.2(d) for resolving this proceeding to May 1, 2007.

(Comr Bohn - ALJ Barnett)

**Outcome Signed**

[D06-10-049](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

## Regular Agenda

### Energy Orders

39

[5776]

**I05-06-041 - Order Instituting Investigation on the Commission's own motion into methodology for economic assessment of transmission projects.**

This decision adopts general principles and minimum requirements and provides other guidance for economic evaluations of proposed transmission projects that may be submitted in Commission certificate of public convenience and necessity proceedings. This proceeding is closed.

(Comr Grueneich - ALJ TerKeurst)

Agenda 3176, Item 44 7/20/2006 (Grueneich);

Agenda 3177, Item 46 8/24/2006 (Grueneich);

Agenda 3178, Item 29 9/7/2006 (Peevey)

**Outcome Held (11/9/06. PU Code Section 311(e).)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

40

[6000]

**R06-05-027 - Order Instituting Rulemaking to continue implementation and administration of California Renewables Portfolio Standard Program.**

The Commission is directed to implement and administer the California Renewables Portfolio Standard (RPS) Program to, among other things, increase the amount of California's electricity generated from renewable resources to 20% of retail sales. Periodic reports are necessary to determine program progress, and to assist with compliance and enforcement. This decision adopts a reporting methodology which consolidates, defines and clarifies sometimes complex concepts and terms used for reporting and compliance. The decision also clarifies flexible compliance rules, and limited aspects of compliance and enforcement. A reporting structure is adopted. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) are directed to prepare and file a final proposal based on the orders herein. That proposal is subject to comments, and the Administrative Law Judge will set forth a final format to be used by all RPS-obligated load serving entities. Finally, PG&E, SCE and SDG&E are authorized to establish or modify a memorandum account for tracking certain costs through December 31, 2010 that each company is directed to pay. These costs are for Commission contractor(s) hired to help implement the RPS Program. Each company may later seek authority to recover these costs in rates. The proceeding remains open.

(Comr Peevey - ALJ Mattson)

**Outcome Signed**

[D06-10-050](#)

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)



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**Energy Resolutions and Written Reports****41 Res E-4020 - Pacific Gas and Electric Company (PG&E).**

[6024]

This resolution authorizes PG&E, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) to implement the Capacity Bidding Program to replace the California Power Authority Demand Reserves Partnership. (Advice Letter (AL) 2839-E, filed June 1, 2006 by PG&E; AL 2010-E, filed June 2, 2006 by SCE; and AL 1799-E, filed June 1, 2006 by SDG&E)

**Outcome Approved**

Res E-4020

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**42 Res E-4028 - Southern California Edison Company (SCE).**

[6026]

This resolution denies in part SCE's request of an additional \$37.03 million to accelerate and expand an additional 300 MW of AC Cycling from August 2006 to July 2007, giving SCE a total of 675 MW by summer 2007. As an alternative, the resolution approves an acceleration of an additional 225 MW from August 2006 to July 2007, giving SCE a total of 600 MW by summer 2007. SCE's request to modify its AC Cycling program design is partially approved. (Advice Letter 2034-E, filed August 29, 2006.)

**Outcome Approved**

Res E-4028

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

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**Telecommunication Orders****43**

[5778]

**R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service.**

I95-04-044 - Related matters. This decision disposes the Petitions for Modification of Decision 05-07-043 (Petitions), filed respectively by Verizon California Inc. (Verizon) on January 5, 2006, and by AT&T California dba SBC California (SBC) on February 3, 2006. Verizon and SBC seek to terminate the requirement for arbitration of batch hot cut process and pricing disputes. A prehearing conference shall be conducted in the consolidated arbitration proceedings for Verizon and SBC in order to address ultimate disposition of parties' remaining disputes relating to batch hot cut processes and pricing.

(Comr Peevey - ALJ Pulsifer)

Agenda 3176, Item 51 7/20/2006 (Peevey);

Agenda 3177, Item 56 8/24/2006 (Brown);

Agenda 3178, Item 34 9/7/2006 (Peevey);

Agenda 3179, Item 21 9/21/2006 (Brown);

Agenda 3180, Item 46 10/5/2006 (Chong)

**Outcome Held (11/9/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**Other Utility Orders****44**

[6022]

**R06-04-022 - Rulemaking on the Commission's Intervenor Compensation Program.**

This decision adopts amendments to the Rules of Practice and Procedure regarding intervenor compensation. The amendments (1) codify Commission precedent regarding eligibility and compensable costs, (2) provide intervenors with greater flexibility in filing notices of intent, (3) enact accounting and documentation requirements to facilitate Commission review and determination of eligibility and compensable costs, and (4) adopt a mechanism for providing notices of intent to claim compensation for judicial review costs. The decision also eliminates the intervenor compensation fund adopted in D00-01-020, and allocates intervenor compensation payment responsibility in quasi-legislative rulemakings among all utilities in the affected industry with California-jurisdictional revenues over a stated threshold. R06-04-022 is closed.

(Comr Bohn - ALJ Yacknin)

**Outcome Held (11/9/06. Further consideration.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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**Legal Division Matters****45 WC Docket No. 96-45 and 05-337, FCC 06J-1**

[5959]

The Federal-State Joint Board on Universal Service is inviting comment on the use of reverse auctions (competitive bidding) to determine high cost universal service funding to eligible telecommunications carriers (ETCs). The Joint Board asks that interested parties provide comment regarding whether and how competitive bidding could be utilized to further the goals of the Act, the Commission's universal service goals, and any other criteria or issues described in the August 2004 Public Notice [19 FCC Rcd 16083 (2004)]. WC Docket Nos. 96-45 and 05-337, FCC 06J-1.

Agenda 3179, Item 25 9/21/2006 (Staff);

Agenda 3180, Item 52 10/5/2006 (Staff)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**46 FCC-01-92, WC Docket 96-45 and 05-337, FCC 06-J-1**

[6081]

Opening Comments In the Matter of Developing a Unified Intercarrier Compensation Regime – Missoula Plan - FCC-01-92, WC Docket 96-45 and 05-337

**Outcome Approved-Staff Recommendation**

FCC-01-92, WC Docket 96-45 and 05-337, FCC 06-J-1

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**Commissioner's Reports****47**

[6073]

**Commissioner Grueneich Report**

Presentation by KEMA, Inc. of the draft report on the Commission's Low Income Needs Assessment. KEMA will present an overview of Phase II of the Needs Assessment, which involved a survey and analysis of California's low income population; the identification and quantification of demographic and structural feasibility barriers; and the development of appropriate and effective methods of meeting energy-related needs of low-income customers.

**Outcome Information Only**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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**Management Reports and Resolutions****48**

[5977]

**Executive Director Larson Report**

Update on Clean Energy Fund activities  
Agenda 3179, Item 34 9/21/2006 (Staff);  
Agenda 3180, Item 57 10/5/2006 (Staff)

**Outcome Held (11/9/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**49**

[6013]

**Executive Director Larson Report**

Stewardship Council Youth Investment Program Update, with focus on Central Valley, presented by  
Steve Hagler, Youth Investment Manager.

**Outcome Information Only**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

## Closed Session

*This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the*

### Applications for Rehearing

- 51**                    **A05-02-004 - Conference with Legal Counsel - Application for Rehearing**  
 [5815]                Disposition of application for rehearing of D06-01-025 filed by Golden State Water Company (Formerly Southern California Water Company.) D06-01-025 involves requested rate increases for the company's Region III service area for 2006, 2007 and 2008.  
                          Agenda 3176, Item 68 7/20/2006 (Staff);  
                          Agenda 3178, Item 42 9/7/2006 (Staff);  
                          Agenda 3180, Item 60 10/5/2006 (Bohn)  
**Outcome   Held (11/9/06. Further consideration.)**  
                          Yes: (none)  
                          No: (none)  
                          Abstain: (none)  
                          Absent: (none)
- 52**                    **R00-02-004 - Conference with Legal Counsel - Application for Rehearing**  
 [6021]                Disposition of application for rehearing of D06-03-013 filed by the California Attorney General and jointly by The Utility Reform Network and the Division of Ratepayer Advocates. In D06-03-013, the Commission adopted revised General Order 168, Market Rules to Empower Consumers and to Prevent Fraud.  
                          Agenda 3180, Item 61 10/5/2006 (Peevey)  
**Outcome   Held (11/9/06.)**  
                          Yes: (none)  
                          No: (none)  
                          Abstain: (none)  
                          Absent: (none)

**53**

[6044]

**R04-09-003 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Joint Application for Rehearing of D06-05-041. The application was filed jointly by The Utility Reform Network and Division of Ratepayer Advocates. Responses were filed by a group of energy utilities, called the "Joint Parties," The California Water Association, Park Water Company, and Pacific Gas and Electric Company. The Decision adopted rules for the allocation of gain on sale under ordinary circumstances, continued the current framework for addressing gain on sale issues where a municipal utility takes over a portion of a public utility, and interpreted the provisions of Public Utilities Code Section 790, among other things.

**Outcome Held (11/9/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**54**

[6048]

**A05-06-028 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Application for Rehearing of D06-07-027 filed by the Division of Ratepayer Advocates. In D06-07-027 the Commission authorized deployment of Pacific Gas and Electric Company's (PG&E) Advanced Metering Infrastructure (AMI) Project and adopted a modified revenue requirement and guaranteed ratepayer benefits. The Decision also adopts PG&E's proposed critical peak pricing (CPP) program. The CPP program will allow PG&E to offer CPP as a voluntary supplemental tariff to its residential and small commercial and industrial customers with electric demands below 200 kW.

**Outcome Signed**

D06-10-051

Yes: (Bohn, Brown, Chong, Peevey)

No: (none)

Abstain: (none)

Absent: (Grueneich)

**55**

[6051]

**A05-12-039 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Application for Rehearing of D06-04-008 filed by Southwest Gas Corporation (Southwest). In D06-04-008, the Commission authorized Southwest to establish a memorandum account to provide for the recovery of revenue shortfalls resulting from a delay in the implementation of the 2006 attrition increase authorized in D04-03-034.

**Outcome Held (11/9/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



**56**

[6078]

**R05-04-005 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Applications for Rehearing filed by The Utility Reform Network and Division of Ratepayer Advocates (jointly) and Disability Rights Advocates of D06-08-030. This Decision established a Uniform Regulatory Framework for telecommunications utilities.

**Outcome Held (11/9/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)